MONTHLY NOTES

FARM MANAGEMENT AND FARM ECONOMICS

March 1, 1922.

THIS MONTH has been dedicated to the prophets of better times. Several outstanding men and good observers have made statements to the effect that agriculture is by its worst slough of depression and on the up-grade.

As a matter of substantial fact, the rising prices of grain and hogs have put new life into things. A little real money talks loudly to farmers these times.

And the farmer is not alone in his troubles. Business in general seems to have its hands full. We admire its gameness.

One of the things this sheet aims to do is to catch up the thread of events sufficiently to indicate the trend. On later pages are some statements on this spring's drift in farm management, made by men who usually know what they're talking about.

PRICE INDEXES FOR MONTH ENDING FEBRUARY 1 are given below. Farm products from Department of Agriculture; commodity groups from Bureau of Labor Statistics. The figures are all relative to the year 1913, which is taken as the base or 100:

Farm Products	Dec.	Jan.
Cotton	130	125
Corn	72	77
Wheat	118	124
Hay	110	103
Potatoes	173	179
Beef cattle	78	81
Hogs	89	93
Eggs	265	164
Butter	152	127
Wool	101	108

Commodity Groups	Dec.	Jan.
Farm products	113	116
Food, etc.	139	134
Cloths & clothing	185	183
Fuel & lighting	187	183
Metals & met. products	119	117
Building materials	203	202
Chemicals, etc.	161	159
House-furnishing goods	218	214
All commodities	149	148

THE TREND OF PRICES up to February 1 began to bring a ray of hope into the Upper Mississippi Valley, where hope has been almost a total stranger for a year or more. Both grain and meat animals advanced a trifle - not much to be sure, but enough to produce a slight "psychic" effect, as the papers say. Back of this trend there appears to be again growing up an institution which had formerly been quite well established throughout the western world, namely: The eating of three square meals a day. Resumption of this honorable institution means hope reborn in the Corn Belt.

Similarly, a broad revival of the civilized custom of occasionally changing clothing would put strength into the sensitive cotton plant and heart into many a poor neglected sheep. In spite of deflation, prices are still somewhat responsive to the laws of supply and demand.

THE WEATHER - LIKE THE POOR - we have always with us!

But now we're talking crop insurance - another little human institution to reduce the gamble. Looks feasible, within reasonable limits. Personally, I have gained a pretty fair idea what the reasonable limits are by reading the bulletin on Crop Insurance put out by Mr. V. N. Valgren, about three weeks ago. Mr. Valgren has the gift of dealing with fasinating modern subjects like this on a basis of old-fashioned common sense.

THE TROUBLE WITH COST ACCOUNTING used to be that you couldn't catch up with its results in time to get much value out of them. About the time you discovered the profound truth that it cost a dollar and six cents to grow a bushel of wheat - costs of labor, fertilizer and other items had just nicely begun to change, so wheat was costing something different. Your cost figures expressed in money were generally four jumps behind the times.

Now we do differently. We find out the basic quantities that enter into production. They stay put! So much seed and fertilizer, so many hours of labor, and so on. That I am leading up to is the bulletin by Moorhouse and Juve on "Labor and Material Requirements of Field Crops." Every economics man should have this about his desk.

THE DEPARTMENT'S, ANNUAL LIVESTOCK ESTIMATE of January 1 showed the following:

Horses	19,099,000	Other cattle	41,324,000
Mules	5,436,000	Sheep	36,048,000
Milk cows	24,028,000	Hogs	56,996,000

RELATIVE PURCHASING POWER

(At January 1922 Farm Prices)

In terms of:	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	85	52	84	70	121
Cloths, etc.	68	42	68	56	98
Fuel, etc.	68	42	68	56	98
Metals, etc.	107	66	106	88	153
Bldg. material	62	38	61	51	89
House-furnishing goods	58	36	58	48	84

	Beef cattle	Swine	Eggs	Butter	Wool
All commodities	55	63	111	86	73
Cloths, etc.	44	51	90	69	59
Fuel, etc.	44	51	90	69	59
Metals, etc.	69	79	140	109	92
Bldg. material	40	46	81	63	53
House-furnishing goods	38	43	79	59	50

THE TREND OF PURCHASING POWER during January was, in a word, slightly upward for the West and slightly downward for the East and South. Of course this is putting it rather sweepingly. But everyone has recognized for months that the products of the Corn Belt were below other regions and must ultimately advance in relation thereto. The above table still looks rather discouraging for the man who would like to exchange corn for some building materials or furniture.

ABOUT THIS EXPORT BUSINESS - since the 1921 figures have all become available there has been quite a little re-casting of opinion. We learn that the 1921 exports of cereals were three times the pre-war average. Also that we sent out more meat products and a lot more dairy products than before the war. Cotton was the only important product in which exports really fell off from the averages of former years.

OF THE NATIONAL INCOME agriculture has contributed an increasing percentage - ranging from 16% in 1909 to 21% in 1918. This is the estimate made by the National Bureau of Economic Research. This Bureau has recently published a book on "Income in the United States" which every economics man will be likely to want.

A CORRECTION. On page 7 of the February 1 issue of this sheet we quoted Dr. Ely before the National Agricultural Conference as saying that "600,000,000 acres of land in Michigan have gone through bankruptcy and reverted to the state." It was probably obvious that this figure was somewhat too large since it would comprise a third of the entire land area of the United States. The stencil was cut with three ciphers too many. Dr. Ely's statement was that six hundred thousand acres in Michigan had gone through bankruptcy, etc.

THE TREND IN FARM MANAGEMENT this spring seems in the direction of more dairy cattle, more hogs, more poultry, possibly more potatoes, less oats, less corn, more grass. Of course it is rather early to guess at the drift because farmers themselves have not generally decided on spring plans. However, the foregoing represents the majority of the talk to date.

It would seem that this is a good year to sit steady in the boat, and to be conservative about shifting the farm organization. When too many men jump into dairying, milk generally gets cheaper, and ditto with many other things. Of course it is human to try to produce the things that pay best.

Following herewith are some extracts from letters of farm management or economic specialists in various states. They give a fairly good line on the present trend.

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LYNN ROBERTSON, INDIANA. "Farmers as a general thing are not planning on curtailing products in 1922 or in making many changes from their usual procedure, although there is some tendency to substitute crops, particularly soy beans for corn. There seems to be a general interest in soy bean crops and many County Farmers' Associations are purchasing seed cooperatively. More of this seed will probably be used with corn, than in place of corn, but some substituting will be done. The only outstanding change as noticed in livestock products is the breeding of more sows than usual this past fall. The increase in number of sows bred probably amounts to 25 to 35 per cent."

M. R. BENEDICT, SOUTH DAKOTA. "There seems to be a tendency among the potato men to increase their acreage considerably in spite of rather unsatisfactory market conditions and quality last year. I do not look for much change in the sowing of leading feed crops. There is quite a tendency to increase dairy production, in fact our creameries are producing nearly twice as much butter as they were a year ago at this time. I find more or less optimism among beef cattle men in regard to the future but there does not seem to be, as yet, any definite move toward going into these more heavily. The sheep men have been greatly encouraged by recent developments and will raise all the sheep they can this year. Hog men are going into the business very heavily and there is considerable scsrcity of brood sows."

REX E WILLARD, NORTH DAKOTA. "Undoubtedly the wheat acreage will be cut from 10 to 25 per cent.

"While we have raised some potatoes in the past, 1921 saw an increase of some 8,000 car loads and 1922 will see another increase in the potato crop and we fear that this may be a boomerang because the new beginners who go in too heavily do not get their stuff into proper shape for market.

"There has been a marked increase in rye during the fall.

"You understand we do not ship out any corn, most of it being used for fodder and silage in this state. Nevertheless farmers are finding corn a very satisfactory crop to raise. Even though they do not make any corn, they can always make some feed and always figure that they can raise a very much better grain crop following.

"Sweet clover will have considerable increase the coming year.

"The dairy industry is on the increase, several hundred car loads having been imported into the state in the last few months.

"Farmers do not feel that the War Finance Corporation has lent them very much assistance, but I think this has been largely due to the fact that the benefit has been indirect. They undoubtedly feel that the credit situation is not what it should be."

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W. L. CAVERT, MINNESOTA. "In general, there has been a decided tendency to increase dairy production, in both the sections that have been accustomed to make dairying a leading enterprise, and in these sections where dairying has ordinarily been a minor source of income. At present this tendency is much less marked than it was earlier in the winter, due both to low prices for dairy products and to higher prices for other products. What has just been said about dairy production applies to poultry also.

"In those sections of the State accustomed to raise potatoes and that had a good crop last year, there is a tendency to increase the acreage of potatoes. This applies particularly to the Northwestern part of the State. In that section, the grain crop was a near failure last year while potatoes were both an excellent crop and brought a fair price, especially those sold early in the season.

"In the surplus corn sections of the State, there is a decided tendency to increase the number of brood sows. Of course, a cold, wet spring or disease may have considerable to do with the total number of hogs that are available for market. I do not believe that there id any tendency to reduce the corn acreage for the reason that the farmers do not know of any other crop that is likely to be more profitable even at the present low price of corn.

"I am inclined to think that any tendency to increase the acreage of legume crops will be at the expense of the oats acreage rather than of the corn acreage.

"There has been very little interest in beef cattle during the past year but the prospects are that those feeders who are on the job this year will make some money and the time is doubtless approaching when we will have a revival of interest in beef cattle, especially in those sections that are naturally adapted to this enterprise.

"It is very noticeable that since the recent rise of some of our staple products such as hogs, corn, oats and wheat, farmers are much more optimistic than they were during the early part of the winter although in many cases the rise has not increased their returns for the 1921 crop to any great extent due to the fact that the products were largely sold before the rise came."

R. N. MILLER, WASHINGTON. "The only appreciable difference in planting either in amount or kind of crops will be the plowing up of old alfalfa and greater acreage of potatoes and possibly a little more summer fallow and consequently a little less spring wheat and oats. But the latter will be too small to count.

"More cows (dairy) are being kept by Washington farmers for milk and butter-fat are profitable, and poultry has increased tremendously. Recently I was out of one city of about 100,000 people and for 18 miles I will vouch for a new poultry house and dwelling on every 4 acres. The whole country west of the Cascade Mountains is going into poultry."

J. S. DONALD, WISCONSIN. "The one principal cash crop that may be affected is tobacco. I do know some instances where the tobacco crop will be cut 50 per cent, and in those cases more dairy feed will be grown and dairy cows kept.

"I do not believe that there will be any increase in livestock production excepting possibly hogs. Our farmers have done very well in feeding hogs this year and I believe they look with more favor and as much certainty along this line as any."

E. L. TAYLOR, NEBRASKA. "Farmers generally are planning on farming every acre this coming year. Many of the men in eastern Nebraska will grow more grass and clover while in central Nebraska there is a feeling that there should be more alfalfa and livestock. The winter wheat has suffered from dry weather in some localities and in case it must be replanted the ground will no doubt be put into corn. On the whole there will be no great reduction in the corn acreage. The acreage of cash crops will remain about the same. There is little disposition on the part of farmers to experiment with new crops though they are readily planting improved strains of wheat and oats.

"Practically everywhere the farmers are reporting that more brood sows than ever are being kept. A few men report the same number and a few men report even less brood sows than they normally keep giving as their reason that they fear an overproduction of hogs in 1922. There is unusual interest in poultry which means more poultry next summer. Temporarily at least, the farmers are milking more cows than ever.

"Prices recently paid at farm sales indicate a growing feeling of optimism. Rising prices for hogs and pork have no doubt been instrumental in cheering the farmer. Great quantities of corn have been going to market. On February 7 corn sold at 40 cents in Richardson County in southeast Nebraska while corn had risen to 36 cents in Dakota County, northeast Nebraska on the 10th. The region near Sioux City, Iowa has the reputation of being the cheapest corn market in the U. S.

M. D. JONES, MAINE. "It is too early to predict how many potatoes will be planted this spring in the potato section which is, of course, our principal cash crop. If the present price paid materially increases, between now and planting time, I think that without a doubt, there will be a normal acreage.

"There will probably be more sweet corn planted this year than last year but this will be less than normal by a considerable amount. I think that the planting of silage, beans and other field crops will doubtless be about normal."

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C. E. ALLRED, KNOXVILLE, TENNESSEE. "I think it can be safely stated that the black tobacco growers will increase their acreage during the coming season. In fact, they are now preparing to do so. Prices have been good thus far, and with other farm products selling at a low price, tobacco looks unusually attractive to farmers in that territory. In the white burley district of East Tennessee about the same trend is in evidence. In West Tennessee in the cotton belt the evidence seems to indicate a large acreage of cotton during the coming year. The prices this year have been fairly satisfactory in comparison with other farm products and hence the farmers appear to look with favor upon a considerable acreage of cotton on their farms during the coming year.

"In the eastern part of the state there appears to be a sentiment to put a larger acreage of the farms to grass. During the war a good deal of grass land was put into cultivated crops and possibly the present tendency is toward getting back to pre-war acreages of pasture. So far as livestock is concerned, farmers appear to feel that, while livestock in general has been very low in price, yet it has been higher than the feed crops, hence, the disposition at the present time to feed more and sell less of the feedable crops. Of course, farmers are pretty blue as a result of their present situation, but most of them seem to have the feeling that the price of farm products will gradually get in line with other prices."

A. D. MCNAIR, ARKANSAS. "There is a tendency to increase the cotton acreage above that of last year. I think probably the increase in the cotton acreage, above last year, will not be large, because the farmers have had two years in which they have seen the desirability and even the necessity of raising feed stuffs at home.

"In certain localities there will be a considerable increase in the acreage of strawberries and grapes. The grape acreage in Northwest Arkansas is increasing with the promise of the location of a grape juice factory at Springdale, Arkansas.

"The sweet potato acreage will doubtless be increased as a result of building storage houses and as a result of the operations of the Arkansas Sweet Potato Growers' Association, which is a state wide organization operating on the principle of the new Cotton Associations.

"The results from the growing of cantaloupes was not satisfactory last year, and this may result in a reduced acreage this year; yet Arkansas is well adapted to this crop and it will come forward again if farmers learn better how to grow and handle it.

"With regard to livestock products, there is a tendency to increase dairying, because the dairy farmer has come through last year's castastrophe better than the average farmer. With present relative prices of corn and hogs, there is a tendency to increase the number of hogs."

E. L. RHOADES, KANSAS. "Farmers apparently are not going to curtail their leading crops. There may possibly be some slight decrease in wheat but it is not certain.

"Wheat will just about hold its own and the alfalfa acreage will be somewhat increased particularly in the eastern part of the state. Those are our leading cash crops.

"Feeding crops in the way of kaffir and sorghums will be increased in the wheat belt where the wheat has been rather badly killed out.

"There will be an increase in hogs approaching pre-war conditions but not yet equalling them. There is an increased tendency toward milking of cows. The beef cattle industry is holding its own. Poultry has been markedly increased."

C. R. CARLTON, VERMONT. "There seems to be little disposition among the farmers to shift to new crops or enterprises. As to increasing crops which have been leaders, I believe, that acres of potatoes will be slightly increased during the coming season; as to the other crops, doubt if there will be much change. There will probably be slight decrease in livestock production due, in part at least, to the large amount of surplus milk and uncertain market conditions. Would say that the feeling among farmers is as a whole rather pessimistic but doubt if this will result in any great curtailment of production."

HARRY C. WOODWORTH, NEW HAMPSHIRE. "In regard to livestock, the price of milk has recently dropped, and the surplus of fluid milk is still great. This will probably mean a decrease in milk production this coming year. That is, the unfavorable conditions will probably tempt some of the marginal producers to sell their cows."

A. J. DADISMAN, WEST VIRGINIA. "There will be practically no shifting of new crops or enterprises. There will be but little if any reduction in the acreage of the staple crops. The leading cash and feed crops will be grown about the same as they have formerly been. Livestock production will be maintained about as formerly as farmers can hardly reduce their livestock since their system of farming is built around livestock productions.

"In general farmers are not kicking particularly on low prices of farm products but they do feel that prices of commodities they purchase should be reduced in accordance with prices of farm products. There will be some delay in the purchasing of various things, such as farm machinery owing to the high prices."

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A. DAANE, OKLAHOMA. "Conditions in general throughout the farming section of Oklahoma are very dull and consequently not very much activity or enthusiasm in regard to any of the cash crops. With the price of seed rather low and the cotton market falling off, together with the prevalence of the boll weevil to such a great extent the past season, conditions as a whole are not very bright and this reflects on the activities of farmers to a great extent.

"I might add that the prospects for a good feed crop here in Oklahoma are very slim, on account of the fact that the past fall was exceptionally dry, as was also the whole winter. There has been scarcely sufficient moisture in the ground to germinate wheat, and in fact much of the wheat was not put in last fall. Some of it was sown in the winter by farmers who had hopes of it making a crop, trusting, of course, to rains that would come soon after seeding. Climatic conditions have been such so that the wheat is in very poor condition to make much of a crop. Even those farmers where there was sufficient moisture to bring up a stand in the early fall have not had moisture enough to permit the crop to make any growth during the winter nor so far this spring. Unless the rest of the wheat growing season is especially favorable, the wheat crop in Oklahoma is bound to be very, very low, possibly not more than 50% of an average crop."

S. H. THOMPSON, IOWA. "It is still too early to predict with any degree of certainty about the 1922 production program on farms. From present indications, I gather that there will be more hogs than last year. I anticipate a smaller acreage of corn with possibly a rather large acreage of oats in which has been planted clover seed.

"I believe that the recent up-turn in corn and hog prices has made farmers feel somewhat better but it is futile to disguise the fact that they are in sore straits."

H. D. MCCULLOUGH, SOUTH DAKOTA. "As far as I can tell the feeling among South Dakota farmers is much better than it was a year ago. The acreages of the leading cash crops will be about the same as usual. There will probably be a big increase in the Sweet Clover acreage and considerable land will be seeded down to alfalfa and tame grasses. Livestock will probably show a slight increase. This will be in the number of hogs raised rather than in the number of cattle. The tight money market and the memory of recent losses will prevent much increase in cattle raising."

DE F. HUNGERFORD, GEORGIA. "At present, the boll weevil is the dominating factor in Georgia's agriculture. It overshadows deflation and has intensified the otherwise difficult credit situation.

"There is a general feeling of pessimism among the farmers of the State. This is especially marked in that section of middle Georgia which was almost devastated last year by a combination of boll weevil and wet weather. This region was formerly the richest part of the State. It was the center of the State's early wealth and culture. Its prosperity depended upon cotton, grown chiefly with negro labor on large plantations. One county in that section which produced normally about 17,000 bales ginned in 1921 only 296 bales. Naturally, the farmers as well as the business men in that section are somewhat demoralized. It will take two or three years for them to recover their morale. Meantime, about all they expect to do is to try to hold their plantations together.

"Where the boll weevil has been in a region for several years, farmers are somewhat more optimistic. This is especially true of southwest Georgia where to a considerable degree adjustment had been made to boll weevil conditions. In that section, progress has been along the lines of hog and beef production, with considerable interest just at present in dairying. The livestock interest is having a healthy growth in this State. Lack of capital to finance the building of barns, fences and the purchasing of stock has prevented a too rapid expansion which is probably a good thing.

"The opposite is true of certain crops which do not require a large outlay of capital. For instance, the whole State seems to be going in for watermelons, and a serious overproduction is apt to result. Considerable interest is also being shown in sweet potatoes with indications pointing toward a very large increase in acreage.

"The cotton acreage in the State will be about the same as last year. A sharp reduction in the lower Piedmont section is being offset by an increased acreage in southwest Georgia. There probably will be a little less corn planted this year and more small grain."

E. L. MOFFITT, PENNSYLVANIA. "In general, the farmers of Pennsylvania will proceed this spring and coming year along what they believe to be normal lines. No shifts in plans are comtemplated in either crop or livestock enterprises."

A. B. G.
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